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SUBJECT: BIHAR CHIEF MINISTER KUMAR: KOSI RELIEF, STATE DEVELOPMENT
AND GOOD GOVERNANCE

REF: A. A) 08 NEW DELHI 2324
[B. B\) 08 KATHMANDU 1251](#)
[C. C\) 08 KATHMANDU 1054](#)

[1](#)1. (SBU) Summary: According to a wide range of contacts, Bihar's Chief Minister Nitish Kumar is effectively mobilizing the state government machinery to respond to the August 2008 flooding of the river Kosi and improve development in the state. Since forming a government in November 2005, Kumar has focused on restoring public health and education facilities and developing infrastructure in an effort to catch up with India's human development indicators by 2012-13. Post's recent interactions in the state capital of Patna confirm the population's high regard of an effective, determined and clean Nitish Kumar administration, especially as it contrasts to the corrupt and non-performance of the previous state government led by Lalu Prasad Yadav, current Union Railways Minister. It will be interesting to see if voters reward him for his good governance in the national election this year and the state elections in [2010](#). ConGen and EconFSN visited Patna in the East Indian state of Bihar from December 19-20 and met with government officials, academics, civil society representatives, the business community, political and minority leaders. End Summary.

Bihar's Response to the Kosi Flood

[2](#)2. (U) In August 2008, the river Kosi unexpectedly breached its embankments and diverted course flooding 90,000 acres of agricultural land in the five districts of Madhepura, Saharsa, Supaul, Araria and Purnia (Ref A). The state and national governments were unprepared for this catastrophic flooding. Approximately 3.3 million people in 1,000 villages were affected and one million people were rescued. In August 2008, the USG, through OFDA, made an immediate contribution of USD 100,000 to the Indian Prime Minister's National Relief Fund and Catholic Relief Services to support rescue efforts and the procurement and delivery of emergency relief supplies. In September, the USG contributed an additional USD 2.5 million through USAID to compliment the relief operations of the Bihar government. The state government expects that it will be at least another year before it has cleared the silt from all of the agricultural lands and farmers are able to cultivate once again.

[3](#)3. (SBU) As the flood waters subsided and people were able to return to their damaged homes, the state government shifted its focus from relief to rehabilitation and reconstruction. Bihar Chief Secretary R.J.M. Pillai, the state's top civil servant, told ConGen that approximately 10,000 people remain in temporary camps, down from the maximum of half a million. He confirmed the state government's decision to rebuild 100,000 of the 340,000 houses damaged. It has announced a rehabilitation and reconstruction policy to build houses, provide community facilities and restore infrastructure and livelihood. The state government has also distributed free seed to the flood victims,

most of whom are small farmers. However, according to Pillai, the central government has funded only USD 200 million of the state's USD 2.8 billion request.

¶4. (SBU) Bihar Chief Minister Kumar told ConGen that he personally led relief and rehabilitation efforts in the state and has discussed flood control and river management issues with Nepal's Prime Minister Prachanda (Reftel B). According to Kumar, the two countries were working to repair the breach in Kosi's (Nepalese refer to it as the Koshi) embankment by March 31 when the river begins to rise as the winter snows melt in the Himalayas. On February 6, Bihar's Additional Commissioner for Disaster Management told post that Indian and Nepalese engineers had successfully plugged the Kosi breach on January 27 and returned the river to its original course. Workers are currently reinforcing the levee to prevent another breach.

Focus on Energy

¶5. (SBU) India and Nepal have expressed renewed interest in harnessing the hydroelectric potential of the Kosi river and better managing the river for flood control and irrigation purposes (Reftel C). Kumar told ConGen that he is especially attuned to energy as a developmental constraint because the state lost most of its power plants and coal reserves with the creation of the new Indian state of Jharkhand in 2000. The state government has planned, identified partners and funding mechanisms for 14 new power projects to produce 14,000 MW of electricity by 2013-14. He welcomed private sector investment in the sector. (Note: the GoI allows 100 percent Foreign Direct Investment in the energy sector, with the exception of nuclear power. End note).

Relief Response - an Indicator of Improved Governance

¶6. (SBU) Most non-governmental interlocutors - NGOs, business groups, prominent citizens - spoke highly of the state government's response to the Kosi flood, while acknowledging resource constraints. They perceived a strong political commitment that relief supplies reach flood victims. The commitment, abetted by decentralized decision making, resulted in the quick and efficient deployment of relief supplies. NGOs unanimously praised the state government's corruption-free relief efforts, a remarkable change from the previous corruption-tainted government in Bihar. Officials from the NGO CARE went so far as to say that this was the "best response" to a disaster they had seen in the region. While most have complemented the government on their relief efforts, a recent article in a leading news weekly questioned the effectiveness of the state government's relief and rehabilitation measures. The leader of the state opposition told ConGen that his party would campaign on relief mismanagement in the upcoming parliamentary elections; however, the Bihar Chief Secretary, a nonpartisan civil servant, privately opined that the issue would not resonate with the populace for this year's national elections and the 2010 state assembly elections.

Priority on Development

¶7. (U) Kumar's strong political commitment to deliver on development and demonstrate good governance is visible in the state government's creation of 15,000 new primary schools and 200,000 new teacher appointments since 2005. 1.5 million more children now attend school in Bihar. State health indicators are encouraging: visits to primary health centers have increased and Bihar's polio immunization rate is above the national average. The Chief Minister told ConGen that he would like Bihar to match the Indian national human development indicators (life expectancy at birth, adult literacy rate, school enrollment ratio) by 2012-2013.

Comment

¶8. (SBU) Kumar has made progress in re-branding Bihar as an efficiently administered state free of corruption. Interlocutors view his words and actions as proof positive of a change and break with Bihar's previous notoriety for thuggish corruption. He seized upon the Kosi floods as the "moment of

the executive" and solicits assistance and impresses upon the national political leadership, bureaucrats and foreign donors to deliver for his people. India's prominent television channel CNN-IBN has acknowledged Kumar's initiatives and named him as the 2008 Politician of the Year. The present state administration, with its priority on flood reconstruction, development and power generation, could be an efficient and effective partner for future USG assistance and US private investment. Nitesh Kumar has slowly, but steadily, begun to turn the state around. It will be interesting to see if the state's voters break away from their traditional caste-clan focus and reward him for the culture of good governance that he has begun to foster.

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